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Friday, May 3, 2002

Marlene H. Dortch Secretary Federal Communications Commission 445 Twelfth Street, SW Washington, D.C. 20554

RE: CC Docket No. 02-33

Notice of Proposed Rulemaking (FCC 02-42)

Dear Ms. Dortch:

On behalf of StayOnline, Inc., I am writing to express my support for the comments filed on above-referenced proceeding by The Wireless Communications Association International, Inc. ("WCA"), and to urge the Commission not to impose Universal Service Fund obligations on smaller license-exempt providers of wireless broadband services.

We are a small local business with a staff of just 22 people. Since 1999, we have been using the 2.4 GHz license exempt bands to provide high-speed Internet access to the hospitality and multi-dwelling unit industries, where there is little or no cable modem or DSL service. Even where cable model or DSL service is available, we are one of only a few competitive alternatives. Despite our small size and lack of funding from the government or the capital markets, we have been able to provide our customers in outlying regions with the type of broadband service usually available only in the larger cities, and we are doing so at affordable prices.

Like any other small business, we face many daunting economic challenges but have only limited resources available to us. We therefore are very concerned about the possibility that the Commission will subject us to the USF reporting and contribution obligations. Indeed, any sizeable cost incurred to comply with USF reporting obligations would create an undue financial hardship that our small company would not be able absorb not to mention the additional costs associated with explaining USF charges to subscribers and dealing with any subsequent subscriber complaints.

While we generally support the broad objectives of universal service, we do not believe it is equitable to sacrifice the future of wireless broadband (which operates without subsidy) to support "copper wire" services that wireless is better equipped to provide in underserved

-2- May 3, 2002

areas. Also, we are not an ILEC or a cable MSO, and we simply cannot afford the personnel or administrative resources necessary for USF compliance. Any diversion of what little staff we have will have a direct and immediate adverse effect on our ability to serve our customers. Our business, in other words, would be put at unnecessary risk, and our customers ultimately would pay the price.

We therefore urge the Commission to take these considerations into account and, at a minimum, not impose USF reporting and contribution obligations on smaller license-exempt providers of broadband service. Thank you.

Very truly yours,

Chris B.

Chris B. Medders
Exec Vice President & CTO